

Vermont Clean Water Board Meeting Minutes

Date/Time: Wednesday, October 13, 2021, 8:00–9:30 am

Virtual Option to Attend: Microsoft Teams Meeting

Physical Location to Attend In-Person: Agency of Natural Resources, One National Life Drive, Montpelier, VT 05602 in the Catamount Room (Davis Building, 2nd Floor, Room D215).

Meeting agenda, materials, minutes, and recording are posted online at: <https://dec.vermont.gov/water-investment/cwi/board/meetings>

Clean Water Board Members/Designees:

Susanne Young, Agency of Administration (AoA) Secretary and Clean Water Board Chair (Present)

Tayt Brooks, Agency of Commerce and Community Development (ACCD) Deputy Secretary (Present)

Alison Conant (Absent)

Bob Flint, public member (Present)

Joe Flynn, Agency of Transportation (VTrans) Secretary (Present)

James Giffen, public member (Present)

Julie Moore, Agency of Natural Resources (ANR) Secretary (Present)

Anson Tebbetts, Agency of Agriculture, Food and Markets (AAFV) Secretary (Present)

Chad Tyler, public member (Present)

1. Welcome

Susanne Young, Secretary of Administration and Clean Water Board Chair

The Chair, AoA Secretary Susanne Young convened the meeting at 8:02 am and reviewed the agenda. Clean Water Board members reviewed meeting minutes from the August 12, 2021 meeting. Motion was made by VTrans Secretary Joe Flynn to approve minutes, seconded by ANR Secretary Julie Moore. Motion passed.

2. Review State Fiscal Year (SFY) 2023 Clean Water Budget process

Emily Bird, Department of Environmental Conservation Clean Water Initiative Program Manager

Emily Bird described the SFY 2023 Clean Water Budget development process as outlined in Supporting Materials #2. If possible, a quorum of Clean Water Board members at the public forum on November 4th would be much appreciated. If the Board has any additional recommendations for public outreach in regards to the public comment period they are encouraged to contact Emily. No further questions were offered.

3. Review Clean Water Fund operating statement and revenue projections

Emily Byrne, Agency of Natural Resources Director of Finance and Administration

Emily Byrne provided an overview of Clean Water Fund operating statement (Supporting Material #3). Materials reflect no substantive changes from operating statement as presented at the August 12, 2021 meeting but includes an update to show obligated funds as proposed in the SFY 2023 draft Clean Water Budget. The SFY 2023 budget proposes to fully utilize the unallocated/unobligated Clean Water Funds from prior fiscal years less \$500,000 which will be held in reserve in case revenue projections fall short. Byrne will share these updated materials with the Board. No questions were offered.

4. Review draft SFY 2023 Clean Water Budget recommendation

Julie Moore, Secretary of Natural Resources

ANR Secretary Moore provided overview of updated budget framework reflecting Clean Water Service Delivery Act (Act 76 of 2019) funding priorities and programs (Supporting Material #4) and the proposed draft SFY 2023 Clean Water Budget for public comment (Supporting Material #5). There are three pools of funding for the Clean Water Budget this year including the Clean Water Fund, with operating levels as described by Emily Byrne, State Capital Dollars, and American Rescue Plan Act (ARPA) Dollars. In total this exceeds \$46 million of state investments into clean water and, when considering federal dollars leveraged, will likely exceed \$60 million. Secretary Moore invited questions from the Board but had particular interest in hearing their response to 1) how funds were distributed across the three tiers of funding priorities, 2) where certain line-items were placed, and 3) any questions or responses to new programs or initiatives.

Questions/Discussion on Proposal:

- Bob Flint asked ANR to rethink zero-ing out the *Innovative or Alternative Technologies or Practices to Improve Water Quality* line item. Secretary Moore mentioned that part of budget considerations included the expected large influx of dollars towards the Lake Champlain Basin Program which similarly funds innovative or alternative technologies and practices. She expects to have more details on the Lake Champlain Basin Program budget plans by the time the Clean Water Board reconvenes in December and how that may impact this line item. Emily Bird indicated that a question about project ideas or opportunities for this line item also can be included in the public comment questionnaire.
- James Giffen asked whether there was any discussion about partner capacity to spend the influx of dollars available in this year's budget. Emily Bird described the plans for capacity support in the following forms: 1) Start-up funds towards Clean Water Service Providers to assist in launching the Water Quality Restoration Formula Grant program, 2) engagement with partners to guide spending of roughly \$300,000 in SFY 2022 dollars to invest in organizational capacity development and to address bottlenecks in our system that help get funds on the ground, 3) proposed continued capacity support through the SFY 2023 budget under the Partner and Program line item (#1.62 in Supporting Material #5). There's also substantial investments under Tier 2 priorities to assist municipalities in meeting their regulatory stormwater obligations.
- AoA Secretary Young indicated additional flux in the proposed budget given the ARPA dollars and pending guidance from the U.S. Treasury offices. AoA is trying to target funds towards the most transformational projects and Secretary Young hopes to know more by the December Clean Water Board meeting whether this may impact any budget decisions.
- ANR Secretary Moore discussed the pending investment from the Infrastructure Investment and Jobs Act (IIJA) should it pass the U.S. Congress, and the increase in demand for municipal pollution control funding. Taken together these additional investments would increase the demand for state match spending by over \$7 million. There is no specific action requested of the Board at this time, but Secretary Moore wanted to highlight that while there is significant opportunity for more federal dollars, it will grow demand on state dollars to be leveraged as match. No further questions were offered.

5. Review draft SFY 2023 Clean Water Budget public comment online questionnaire

Emily Bird, Department of Environmental Conservation Clean Water Initiative Program Manager

Emily Bird provided an overview of the public comment online questionnaire and solicited input from the Clean Water Board. Changes from last year include an educational component, and an emphasis on collecting public comment in areas where decision-making is actually happening by the Clean Water Board.

- Bob Flint suggested the survey might have too much technical jargon and encouraged reframing for a lay audience.

- James Giffen asked whether there was enough investment in water quality monitoring. ANR Secretary Moore described the different layers of on-going monitoring across the State and the attempt to strike a balance between knowing “enough” to effectively target clean water dollars, while reserving as much funds for actual implementation as possible. Emily Bird indicated the SFY 2023 also proposes to continue to support the lab expenses for water quality analysis for partners performing water quality sampling through the Partner and Program line-item (#1.62 in Supporting Material #5).
- AoA Secretary Young asked whether the line-item descriptions in plain English would be shared with the public who are participating in the online questionnaire. Emily Bird said yes these are linked throughout the questionnaire along with a one-page cover sheet, but that staff can also work to integrate more plain language into the questionnaire itself.

6. Public Comment

- John (guest) expressed concern that Lakes in Crisis was underfunded at \$50,000. Emily Bird explained that the Lakes in Crisis fund was established to support the initial response to a State designation but that other funding has and continues to support improvements in the Lake Carmi watershed. This includes the new Water Quality Restoration Formula Grants which will provide funds to several watershed basins including the Missisquoi to implement non-regulatory clean water projects.
- Vermont Association of Conservation Districts Executive Director Jill Arace asked whether this budget was split by proportion allocated to Lake Champlain Basin as opposed to other watersheds in the state. Emily Bird replied most of the funding initiatives listed are available statewide with the exception of Water Quality Restoration Formula Grants and Three-Acre General Permit compliance funding/financing, which are specifically targeted in the Lake Champlain and Lake Memphremagog basins. Municipal Separate Storm Sewer System (MS4) funding is also geographically limited to only MS4 communities located in the Lake Champlain Basin. Within the Lake Champlain and Lake Memphremagog basins the DEC is working on a methodology to allocate funding to specific sub-watersheds based on phosphorus reduction targets as required under Act 76 and that methodology will be put out on Type 3 notice for public comment likely around January 2022.
- Andrea Englehardt thanked all the agencies for their continued support in Lake Carmi but brought pictures of the algae blooms from this summer and indicated that more needed to be done. She supports the idea to make more investments in Innovative and Alternative Approaches.
- Rob Evans echoed Andrea’s appreciation for agency support and advocated for continued monitoring of Lake Carmi to find where Phosphorus is entering. Rob also encouraged the Clean Water Board to think about not just sustaining the \$50,000 funding level but also to look for avenues to increase the investments.
- Lake Champlain Committee Representative Jared Carpenter expressed concern that Enhancement Grants were being short-changed the full \$5 million by including VHCB’s Land Conservation and Water Quality Projects as a supporting program and counting their \$2 million on capital dollars as part of the \$5 million cap.
- Vermont Land Trust Vice President for Strategic Communications Abby White expressed concern about including VHCB’s Land Conservation and Water Quality Projects as a supporting program under the Enhancement Grants because it pulled away from the full \$5 million in Enhancement. White suggests there’s plenty of funding to fully fund both programs and also that VHCB’s Land Conservation and Water Quality Projects program is not specifically focused on clean water, clean water is just one of the program’s goals. White suggests that while VHCB activities are consistent with the language of Enhancement Grants as described in Act 76, VLT doesn’t think it’s consistent with the intent of the Act which was actually to provide \$5 million for a new program.

7. Discuss and approve draft SFY 2023 Clean Water Budget to post for public comment

Full Board

No further Board discussion on the budget or the public comment questionnaire. Motion was made by VTrans Secretary Joe Flynn to approve the draft SFY 2023 Clean Water Budget and associated materials to post for public comment. Motion was seconded by ANR Secretary Julie Moore. No discussion. Motion passed.

8. Discuss Program Audit of Clean Water Fund

Susanne Young, Secretary of Administration and Clean Water Board Chair

AoA Secretary Young indicated no questions and no bids were submitted in response to the open request for proposals for a Clean Water Fund audit. AoA has no clear answer why there's limited interest in the request for proposals except it does require that the audit be performed by an independent organization with sweeping knowledge of the Clean Water Act, Water Quality Requirements, the TMDL, and programmatic elements of the Clean Water Initiative which may be a tall order. AoA has reposted the request for proposals and will bring some recommendations for next steps back to the Board in December should they still receive no interest.

9. Adjourn

Prior to adjournment ANR Secretary Moore recognized AoA Secretary Young's 40 years of public service in advance of her pending retirement in November 2021. The Board thanked her for her great service particularly as the Clean Water Board Chair and indicated she will be greatly missed. Motion was made by ANR Secretary Julie Moore to adjourn. Motion was seconded by VTrans Secretary Joe Flynn. Motion passed, meeting adjourned at 9:21 am.

Supporting Materials:

1. August 12, 2021 Draft Clean Water Board Meeting Minutes
2. SFY 2023 Clean Water Budget Process
3. Clean Water Fund Operating Statement and Revenue Projections (August 9, 2021)
4. Draft SFY 2023 Clean Water Budget Overview (September 28, 2021)
5. Draft SFY 2023 Clean Water Budget (October 4, 2021)
6. Draft SFY 2023 Clean Water Budget Public Comment Online Questionnaire
7. Program Audit of Clean Water Fund Request for Proposals